

REQUIREMENTS FOR FEDERAL COAL LESSEES

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A) or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

<u>Parcels</u>	<u>Description of Lands</u>
NV-12-12-001 THRU NV-12-12-050	ALL LANDS

MULTIPLE MINERAL DEVELOPMENT

This parcel may contain existing mining claims and/or mill sites located under the 1872 Mining Law. To the extent it does, the oil and gas lessee must conduct its operations, so far as reasonably practicable, to avoid damage to any known deposit of any mineral for which any mining claim on this parcel is located, and should not endanger or unreasonably or materially interfere with the mining claimant's operations, including any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of mining operations. The provisions of the Multiple Mineral Development Act (30 U.S.C. 521 et seq.) shall apply on the leased lands.

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MATERIAL SITE

The lessee accepts this lease subject to the right of the State of Nevada to remove road building material from the land embraced in Material Site No. (see below) and agrees that its operations will not interfere with the material operations of the Department of Transportation.

Parcel**Description of Lands**

NV-12-12-032
Nev-065538

T.0200N, R.0390E, 21 MDM, NV
Sec. 020 NW (within).

CULTURAL RESOURCES AND TRIBAL CONSULTATION

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations (e.g., State Historic Preservation Officer (SHPO) and tribal consultation) under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

Parcels

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THRU
NV-12-12-050

ALL LANDS

Notice to Lessee

NV-12-12-015

This lease location contains five 230-meter long segments of a historic road and associated debris. The site was recorded in 2011 by Chambers, Inc., during a cultural resource inventory in support of Ormat's Tungsten Mountain Geothermal Project. The site was determined to be a historic property eligible for inclusion on the National Register. Based on analysis of landform and presence of prehistoric materials in the immediate vicinity, it has also been determined there is a high potential for subsurface cultural material.

THREATENED, ENDANGERED, AND SENSITIVE SPECIES

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modifications of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act, as amended, 16 USC § 1531 et seq., including completion of any required procedure for conference or consultation.

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NATIVE AMERICAN CONSULTATION

All development activities proposed under the authority of this lease are subject to the requirement for Native American consultation prior to BLM authorizing the activity. Depending on the nature of the lease developments being proposed and the resources of concerns to tribes potentially affected, Native American consultation and resulting mitigation measures to avoid significant impacts may extend time frames for processing authorizations for development activities as well as change the way in which developments are implemented.

Parcels**Description of Lands**

NV-12-12-001
THRU
NV-12-12-050

ALL LANDS

**NO SURFACE OCCUPANCY STIPULATION
RIPARIAN AREAS**

No surface occupancy within 650 feet (horizontal measurement) of any surface water bodies, riparian areas, wetlands, playas or 100-year floodplains to protect the integrity of these resources (as delineated by the presence of riparian vegetation and not actual water).

Exceptions to this restriction may be considered on a case-by-case basis if the BLM determines at least one of the following conditions apply: 1) additional development is proposed in an area where current development has shown no adverse impacts, 2) suitable off-site mitigation will be provided if habitat loss is expected, or 3) BLM determines development proposed under any plan of operation ensures adequate protection of the resources.

Parcels

Description of Lands

NV-12-12-001
THRU
NV-12-12-050

Within 650 feet of any surface water bodies, riparian areas, wetlands, playas or 100-year floodplains.